

OPENING STATEMENT FOR CONGRESSWOMAN MELISSA HART FOR HEARING ON H.R. 3890, the REAUTHORIZATION OF THE METALS INITIATIVE

I would like to thank Madam Chair of the Energy subcommittee, and Congressman Boehlert, Chairman of the Science Committee, for calling this hearing to discuss issues around my legislation H.R. 3890, to reauthorize the “Steel and Aluminum Energy Conservation and Technology Competitiveness Act of 1988.”

As a lifelong Western Pennsylvanian, I saw the devastating effects on my region by the collapse of the domestic steel industry in the 1970s and early 1980s. In the 1960’s there were 15,000 steel-producing jobs in the City of Aliquippa alone. Currently, there are 15,000 steel-producing jobs in all of Allegheny, Beaver, Butler, Fayette, Washington and Westmoreland counties combined. Recently, we almost saw the complete folding of the industry as they were attacked by unfair trade practices and dumping by foreign competitors.

However, the steel industry itself has worked within itself to stay efficient, cost effective and productive, despite these exterior set backs. As one of the largest energy consumers in manufacturing they sought way to be energy efficient and environmentally sensitive. In such a cash strapped business, they needed the help of the federal government to be able to seek these benefits. The purpose of the original legislation was to authorize federal cost sharing of research in the metals industry. The legislation established three goals: energy-efficiency, increasing the competitiveness of US industry and improving the environment. The steel industry and Department of Energy continued this partnership under the Metals Initiative, and its predecessor, the Steel Initiative, even after the authorization expired.

While the Metals Initiative benefited from years of high funding levels, we have seen a steady decline in the funding over the last four years. For the fiscal year 2005 the Administration only recommended a total of \$6.5 million (\$3.8 million for steel, \$2.7 for aluminum) which is half the \$13.3 million provided in 2004. My legislation would reauthorize the 1988 Act through 2009 at a constant level of \$10 million per year. However, this funding level in my opinion, is a base to start from, not a ceiling and I look forward to hearing the opinions of our witnesses on this matter.

Over the years 58 steel companies and 23 research organizations have participated and benefited from the program. Many of those companies are from my region including two participating today INTEG Process Group and US Steel, but also universities in my region, including the University of Pittsburgh and Carnegie Mellon University. The Metals Initiative has helped push private research investments to pursue public goals and I look forward to hearing from our witnesses regarding these issues.